

**EVENT VIOLATION**  
**INSPECTOR'S STATEMENT**  
**MINERALS REGULATORY PROGRAM**

Company/Mine: Penney's gemstones LLC  
 Permit #: S010035

CO # MC-2005-04--04  
 Violation # 1 of 1

**SERIOUSNESS**

1. What type of event is applicable to the regulation cited? Refer to the DOGM reference list of event below and remember that **the event is NOT the same as the violation.** Mark and explain each event.

- |                                     |    |  |
|-------------------------------------|----|--|
| <input type="checkbox"/>            | a. | Activity outside the approved permit area.                     |
| <input type="checkbox"/>            | b. | Injury to the public (public safety).                          |
| <input checked="" type="checkbox"/> | c. | Damage to property.  |
| <input checked="" type="checkbox"/> | d. | Conducting activities without appropriate approvals.           |
| <input checked="" type="checkbox"/> | e. | Environmental harm.  |
| <input type="checkbox"/>            | f. | Water pollution.   |
| <input checked="" type="checkbox"/> | g. | Loss of reclamation/revegetation potential.                    |
| <input checked="" type="checkbox"/> | h. | Reduced establishment, diverse and effective vegetative cover. |
| <input type="checkbox"/>            | i. | No event occurred as a result of the violation.                |
| <input type="checkbox"/>            | j. | Other.   |

Explanation: The operator mined without proper right of entry or a lease to the private land when his permit stated the land was Bureau of Land Management land.

2. Has the event or damage occurred? yes  
 If yes, describe it. If no, what would cause it to occur and what is the probability of the event(s) occurring? (None, Unlikely, Likely).

Explanation: Approximately 2.39 acres of land was disturbed and approximately a 1000 tons of rock was removed.

3. Did any damage occur as a result of the violation? yes

4. If yes, describe the duration and extent of the damage or impact. How much damage may have occurred if the violation had not been discovered by a DOGM inspector? Describe this potential damage and whether or not it would extend off the disturbed and/or permit area.

Explanation: A pit, a waste dump and road were created.

**B. DEGREE OF FAULT** (Check the statements which apply to the violation and discuss).

- ☒ Was the violation not the fault of the operator (due to vandalism or an act of God), explain. Remember that the permittee is considered responsible for the actions of all persons working on the mine site.

Explanation: The Violation was the fault of the operator not operatoring the mine in the proper location.

- ☒ Was the violation the result of not knowing about DOGM regulations, indifference to DOGM regulations or the result of lack of reasonable care.

Explanation: I would say it was the result of lack of reasonable care.

- ☐ If the actual or potential environmental harm or harm to the public should have been evident to a careful operator, describe the situation and what, if anything, the operator did to correct it prior to being cited.

Explanation: The operator has stopped mining and gave some of the rock to the Owner, Karl Truman.

- ☐ Was the operator in violation of a specific permit condition?

Explanation: \_\_\_\_\_

- ☐ Has DOGM cited the violation in the past? If so, give the dates and the type of warning or enforcement action taken.

Explanation: \_\_\_\_\_

Was any economic benefit gained by the operator for failure to comply? yes  
If yes explain.

Explanation: The operator mined approximately 1000 tons of rock at 700 dollars per ton.

**GOOD FAITH**

1. In order to receive good faith for compliance with an NOV or CO, the violation must have been abated before the abatement deadline. If you think this applies, describe how rapid compliance was achieved (give date) and describe the measures the operator took to comply as rapidly as possible.

Explanation: \_\_\_\_\_

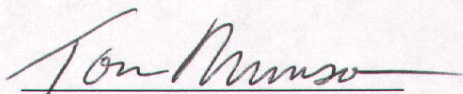
2. Explain whether or not the operator had the necessary resources on site to achieve compliance.

Explanation: The operator currently has no equipment on site

3. Was the submission of plans prior to physical activity required by this NOV / CO? \_\_\_\_\_ If yes, explain.

Explanation: \_\_\_\_\_

Tom Munson  
Authorized Representative

  
Signature

8/18/2005  
Date